

## ***America's Small Businesses and the Affordable Care Act: Myth vs. Fact***

- **Myth: All employers are required to buy health insurance for their employees under the Affordable Care Act.**
- **Fact:** The Affordable Care Act does not require businesses to provide health insurance to their employees.
  - Starting in 2015, businesses with 100 or more full-time or full-time equivalent (FTE) employees that do not provide coverage to their full-time employees may be subject to an Employer Shared Responsibility payment. In 2016, this threshold drops to companies with 50 full-time or FTE employees.
  - 96 percent of America's firms are below 50 employees and therefore not subject to these rules.
- **Myth: Since my state hasn't set up its own health exchange, the health care law doesn't apply to me.**
- **Fact: Every state** has a health insurance Marketplace (also sometimes known as an Exchange).
  - Depending on where you live, the Marketplace is operated by either your state or the federal government, or through a partnership with the state and the federal government.
  - Regardless of location, insurance plans in the Marketplace are offered by private companies, and all plans offered will cover the same core set of benefits called Essential Health Benefits. No plan can turn you away or charge you more because you or your employees have an illness or medical condition.
  - For more information about the Marketplace for small employers, known as the Small Business Health Care Option Program (SHOP), call 1-800-706-7893 (TTY users: 1-800-706-7915), Monday through Friday, 9 a.m. to 7 p.m. EST.
- **Myth: The Affordable Care Act is causing health insurance rates to rise.**
- **Fact:** The Affordable Care Act contains a number of provisions that help to slow the growth of health care costs.
  - Under the Affordable Care Act, insurance companies must publicly disclose and justify premium rate hikes of 10% or more.
  - Tough new rules also require that insurers spend at least 80% of consumer premiums on actual medical care, not salaries and administrative cost. If they don't, they must refund the difference. As a result, small employers have saved more than \$2.5 billion in lower upfront premiums and rebates from their insurance companies between 2011 and 2013.
  - And since the law was enacted, premiums have grown at less than 5 percent annually and slowed further to just 1.7 percent in 2014 – less than a quarter the growth rate before reform.